



Foreign Agricultural Service

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# **Czech Republic**

## **Oilseeds and Products**

### **Annual**

### **2003**

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**Report Highlights:** Due to severe frosts over the winter most winter crops have been affected and partially damaged. The damages are regional, but overall losses are around 15-20%. Rapeseed production in MY 2003/04 is expected to be 500,000 MT, when a year ago it was 700,000 and the year before even over 900,000 MT. Last year's drop of production was caused by lower prices of rapeseed. As a result of the winter damage, the government is now thinking of waiving tariff barriers for import of rapeseed. The Czech Republic processes about 450,000 MT annually, about half of total production was exported to former Eastern block countries.

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Includes PSD changes: Yes  
Includes Trade Matrix: No  
Annual Report

**Oilseeds Area, Production, and Consumption**

In MY 2003/04 oilseed area is estimated at:

rapeseed	280,000 ha (rapeseed and other oilseeds have been badly damaged by winter frosts and spring drought, total losses are expected around 10-15%, in some cases 20%)
sunflower:	21,000 ha
poppy seed:	27,000 ha
mustard:	32,000 ha
soybean:	3,000 ha

**Rapeseed**

Rapeseed production for MY 2003/04 is expected around 500,000 MT. It's much less than the year before due to severe frosts over the winter. Yields are expected to be lower, around 2.27 MT/ha, since farmers are not cultivating the weak rape crop as much as they normally would. The 2002/2003 winter was long and cold, and dry spring weather will also have a negative impact on yields. The government is now debating waiving the 60% import tariff barriers for rapeseed and a decision will be made in June. Most domestically produced rapeseed will be processed in the Czech Republic this year and only a small portion will be exported.

The Ministry of Agriculture continues to support production of bio-fuel under the "Oleoprogram" (the oil program). Farmers sell rapeseed for bio-fuel through the State Agricultural and Intervention Fund for around \$200/MT. Processors of bio-fuel (e.g. Setuza) receive government subsidy in the form of cheaper prices of rapeseed purchased from the State Agricultural and Intervention Fund, where they pay about \$100/MT. The state intervention agency is allowed to buy up to 230,000 MT of industrial rapeseed.

**Soybeans**

Czech soybean area is quite limited due to climatic conditions. Planted area is around 3,000 ha and production around 6,000 MT. Soybeans are imported mainly from Brazil and the United States. In CY 2002, imports of soybeans reached 11,000 MT and imports of soybean meal reached 581,500 MT.

**Sunflower**

Production of sunflower-seed will drop in MY2003/2004 due to unfavorable weather conditions. Last year's harvest was over 53,000 MT but this year it will probably be around 48,000 MT.

**Oilseed Processing**

The only major soybean crusher in the Czech Republic is Setuza. The company has over 1,000 employees and has a capacity of 600,000 MT/year. About 450,000 MT of rapeseed is processed, 20,000 MT of sunflower and 20,000 MT of soybeans. Setuza's imports of soybeans is based on rapeseed availability and prices. There are other small oil processing plants in the Czech Republic but their share of total production is marginal. In 2003 Setuza increasing its imports of vegetable oils, including soybean oil.

### Trade policy

Import tariffs on oilseed are as follows:

#### HTS number

Description	2002	1201.00.10
Soybean for sowing	Free	1201.0090
Soybean, other	Free	1205.00.10
	Rapeseed for sowing	11.5 (CEFTA countries - Slovakia, Hungary, Poland, Slovenia, Romania, Bulgaria - Free)1205.00.90
	Rapeseed, other	60 (Hungary and Poland 15, Slovenia - Free)

(Exchange rate: May 2003: 1USD = 28CZK)

**Rapeseed PS&D**

PSD Table						
Country	Czech Republic					
Commodity	Oilseed, Rapeseed				(1000 HA)(1000 MT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]
Market Year Begin		07/2001		07/2002		07/2003
Area Planted	325	344	330	313	0	330
Area Harvested	310	343	326	312	0	250
Beginning Stocks	5	0	5	30	0	0
Production	720	973	915	719	0	500
MY Imports	5	12	10	10	0	50
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	730	985	930	759	0	550
MY Exports	285	368	338	257	0	100
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	438	585	590	500	0	448
Food Use Dom. Consump.	0	0	0	0	0	0
Feed,Seed,Waste Dm.Cn.	2	2	2	2	0	2
TOTAL Dom. Consumption	440	587	592	502	0	450
Ending Stocks	5	30	0	0	0	0
TOTAL DISTRIBUTION	730	985	930	759	0	550
Calendar Year Imports	0	13	5	10	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	339	300	250	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0